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TAGS: [AORC](#) [KNNP](#) [IAEA](#) [ENRG](#) [TRGY](#) [EAID](#)
SUBJECT: IAEA/TC: TECHNICAL COOPERATION REFORM PRIORITIES
FOR THE U.S.

REF: 08 UNVIE

Classified By: Ambassador Gregory L. Schulte for reasons 1.4 b and d

SUMMARY:

¶1. (C) As the Mission continues to monitor TC projects, participate in Future of the Agency discussions, and attend regional TC planning meetings, several management shortcomings have come to light: a lack of transparency, lack of sustainable project planning, a lack of measurable performance indicators, and a lack of follow-up with IAEA trained fellows to ensure they are using their newly acquired skills for peaceful uses. In its day-to-day dealings with the TC Division, the Mission has found many problems with the current operating procedures, notwithstanding DDG Cetto's mantra of "quality over quantity" for the 2009-2011 TC project cycle. Six months into the current TC project cycle (2009-2011), the USG should consider and promote TC reforms that will enhance member states, access to project information, ensure nonproliferation concerns are addressed at each step, provide the TC Department tools to measure results, and allow for sustainable project planning from one cycle to the next. The USG can assist the TC Department in this process by providing access to USAID training resources, pushing partnerships with other UN Agencies to leverage expertise, and ensure the integrity of the project management cycle by offering USG expertise in organizational management. To mitigate potential G-77/NAM resistance, such reform efforts should be presented to the extent possible in terms of improving the efficiency and effectiveness of TC. This can be achieved by working with a group of like-minded states that reaches across regional groups.

TRANSPARENCY

¶2. (C) Member States have called for more transparency of TC projects at every stage of planning and implementation, in parallel with these projects becoming more advanced, involving more equipment purchases, training, and development of nuclear technology in various countries and regions. The TC Department has been slow to react to these calls and sometimes ignores them completely, citing "proprietary

or confidential information" that should be available only to the IAEA and the recipient state. Looking at the macro-project planning level, the TC Department could make a simple change to its standard operating procedure for regional and inter-regional projects to provide more transparency. TC Project Planning Meetings for regional and inter-regional projects should be open to all interested donors. If potential donors are included in the planning phases of such projects and can assure some project integrity through this involvement, they will be more likely to provide extrabudgetary funds. Taking this notion one step further, recipient member states should also be encouraged to present their TC project requests directly to interested donors. An excellent recent example of such thinking is China's presentation of its own national project on Training Centers. China's new project TCCPR4032: Enhancing the capabilities of national institutions supporting nuclear power development, shows China planning for medium and long term human resources development. The PRC has been completely transparent in hosting a seminar to discuss the project and solicit financial participation. The Chinese project presentation is an example of beneficiary's responsibility to inform and donor MS responsibility to participate and ask questions up front.

13. (SBU) Another vehicle to provide more transparency during project implementation is the IAEA-created TC PRIDE database. This database is supposed to provide Member States up-to-date information on-going, in the pipeline, and unfunded or canceled projects. All aspects of the project, whether procurement

related or interim reports, are supposed to be posted on the database for use by Member States. In recent months, the database has not been kept up-to-date, with the IAEA saying many projects are proprietary in nature and should be kept between the IAEA and recipient states. This line of argumentation is unsuitable; Member State are expected to continue to support TC, but cannot justify annual pledges or state that there are no proliferation concerns on specific projects if information is not forthcoming. In order to gain Member State support, the IAEA must use TC Pride more systematically.

14. (SBU) Moving beyond project planning and implementation, tracking of persons who have received IAEA training in nuclear techniques via TC projects needs to be improved. One of the major deficiencies of the TC Program is its inability to track TC fellows who have been trained in a variety of areas using nuclear techniques. The TC Fellowship program trained more than 1000 fellows between 2004 and 2006, accounting for 14 percent of TC disbursements. However, there is currently no mechanism in place for tracking graduates from the program to gauge what they do with their knowledge, where they are working, or how the training is benefiting the IAEA's mission or science or increasing the safety or security of recipient-country nuclear programs. In order for Member States to accurately assess project proposals requiring specific knowledge it would be helpful if the TC Department would create a Fellowship tracking system and/or network. A database that tracks where fellows are working within their country's nuclear complex would also help mitigate the risk that transfers of expertise could lead to proliferation. (COMMENT: The USG could offer its expertise in creating alumni networks using State's Fulbright network system, USAID's tracking systems, or systems at the Moscow- or Kiev-based Science and Technology

Centers as examples. END COMMENT)

MEASURABLE RESULTS

15. (SBU) Along with calls for transparency come repeated requests from Member States for results that show TC projects are managed in a responsible and sustainable manner leading to measurable outcomes. To date the TC Department does not have a consistent set of measurable performance indicators for its TC projects across geographic divisions. The department could resolve this issue by instituting a simple framework for all projects so they can be compared and contrasted and best practices can emerge. The TC Division should consider instituting a system that breaks projects into tasks, ties the tasks to project outcomes which define the project objectives and goals. A simple framework would allow the Agency, beneficiaries and donors to buy in to the projects in order to achieve maximum value. The current Programme Cycle Management Framework (PCMF) does have a tracking function, however, the TC Department does not appear to use it to track successes and failures. Without measurable performance indicators, more data on TC Pride and inclusion in planning phases, Member States will not be able to assess proliferation risks, whether to fund or approve a project, or share the results with national governments.

16. (U) In response to increased pressure to explain how PCMF is implemented, TC Program Support and Coordination Division Director Magliani and the IAEA's Office of Internal Oversight Services (OIOS) Director Erikson briefed Member States on the current direction of TC project planning on April 15. Member State representatives agreed with Magliani that undertaking fewer but larger projects with a regional focus constituted a more efficient and effective approach to the IAEA's development role. Member States

also stressed that project closure must be timely, and complete projects must reflect a real need and socio-economic impact set out in the beneficiaries' Country Program Frameworks (CPF). OIOS suggested that internal evaluations by project teams themselves could include more cooperation with Member States, while the independent evaluations from OIOS will continue to maintain independence from any project-related staff. (NOTE: Mission anticipates these issues will be raised by some Member States during the upcoming Future of the Agency discussion on TC June 18-19. END NOTE)

RESOURCE MOBILIZATION

17. (SBU) A consistent criticism of the TC Program is that there is always a funding shortfall because of the many TC projects requested by Member States. In order to relieve this situation, the U.S. and other Member States have asked the TC Department to look for funding sources beyond governments. The department has been slow to embrace this concept and continues to work exclusively with intergovernmental organizations; the most recent "partnership" is with the EU Commission. The TC Department has not gone to other organizations, NGOs, think tanks, etc. to fundraise for specific project/themes or created partnerships with other UN family organizations. The department has also shunned the example of the IAEA Program of Action for Cancer Therapy (PACT (reftel), situated in the IAEA's Nuclear Applications

Department, which has raised USG 22 million over the past several years and just signed a partnership agreement with the WHO on cancer therapy. The TC Department should be encouraged to seek partnerships that are complementary to its work in order to gain financial support for some its projects that are unfunded. (NOTE: Mission will report on the TC Department's resource mobilization strategy and methodology septel.
END NOTE)

COMMENT AND ACTION REQUEST

18. (C) TC is broken, but not beyond repair. Taking advantage of the Administration's renewed multilateral approach, the U.S. can assist in creating a more transparent environment in which Member States can ensure recipient states get what they need while minimizing proliferation risk. To leave behind the acrimony that characterizes the North/South divide about TC, any efforts to promote better planning, management, and transparency should be presented to the extent possible in terms of improving the efficiency and effectiveness of TC. To mitigate potential G-77/NAM resistance, such efforts should be presented by a group of like-minded states that reaches across regional groups.

19. (U) Mission requests feedback on TC reform suggestions above and guidance on how to present to like-minded states for possible roll-out at the Future of the Agency discussion in June or later in the (September) General Conference resolution on TC or year at the November 23-25 Technical Assistance and Cooperation Committee (TACC).
SCHULTE